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LB 407, 686

SENATOR JANSSEN: The committee amendments are adopted.

CLERK: I have nothing further on the bill, Mr. President.

SENATOR JANSSEN: Any discussion on the bill? Senator Beutler.

SENATOR BEUTLER: Senator Bruning, if I may, I would just ask you to elaborate on a portion of LB 686. In the committee amendment, in the committee statement, with respect to the committee amendments to LB 686, it has two...two statements that I would like you to elaborate on. It says in the school plan the employer and employee funding rates are frozen at current levels. And then it says in the school plan, future unfunded actuarially...actuarial accrued liability, if any, will be paid on a 25-year amortized basis by the state unless future actuarial gains eliminate the need for such amortized payments. My first question would be, why are employee (sic--employer) and employee funding rates frozen at current levels?

SENATOR BRUNING: Senator, I would respond to that by saying right now, the contribution rates are sufficient to fully fund the plan. The idea is to ensure that there is enough money in the plan to pay out benefits. That is the case now. There's no reason to ask the participants in the school plan to pay more if it's fully funded and the benefit is adequate. It is adequate as determined by our actuarial studies and the current...the current rate fully funds that plan.

SENATOR BEUTLER: Well, if it's...if it's adequate currently, why do we need to freeze it? I'm just trying to understand why we're doing things...

SENATOR BRUNING: These are recommendations,...

SENATOR BEUTLER: ...this way.

SENATOR BRUNING: ...Senator, from...from our...committee actuary and from the...the study of the plan from PERB and others. The...the teachers have testified in favor of this bill, or actually I misspeak, they did not. The PERB testified